

ARTICLE APPEARED
ON PAGE 16c ICHICAGO TRIBUNE
25 August 1985

Contras' sudden wealth a well-guarded mystery

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Chicago Tribune

WASHINGTON—There is a growing mystery about where anti-Sandinista forces obtained funds to finance their major late-summer offensive against the Nicaraguan government in the absence of overt U.S. assistance.

Interviews with rebel leaders, administration officials, congressional aides and American supporters of the rebels suggest that in the last four months the rebels have received \$10 million to \$15 million in military aid.

This is two to three times as much as the group was able to collect in the first eight months after Central Intelligence Agency assistance was halted last year and vastly in excess of what appears to have been given by private American donors.

This infusion of money, moreover, does not reflect any portion of the \$27 million in "humanitarian assistance" approved by Congress last month. Reagan administration officials said it would be several more months before the first payments reach Central America.

Yet anti-Sandinista forces, known as contras, have new equipment, including a DC-4 cargo aircraft, and have conducted military operations deep into Nicaragua.

Congressional opponents of American involvement in Nicaragua are trying to determine whether the administration has found a way to divert American assistance

to the groups, possibly by urging Honduras, El Salvador or Costa Rica to secretly share their U.S. aid with the rebels. Nearly \$900 million in U.S. military and civilian assistance was directed to the three countries in fiscal 1984.

Others, such as Edgar Chamorro, a former official of the Nicaraguan Democratic Force [known by the Spanish acronym FDN], say they believe the rebels have been able to obtain loans from international banks or foreign countries using the promise of American "humanitarian assistance" as collateral.

Opponents respond that either financing method would be a violation of Congress' intent that the U.S. not actively support the guerrilla war.

Administration officials and rebel leaders have refused to say where the money comes from but deny it violates American law.

A review of public records of funding for the rebels showed that when Congress barred the CIA from supporting the rebels

after June, 1984, some residual payments—money already in what the government calls the "pipeline"—continued until late that summer.

In November, Adolfo Calero Portocarrero, civilian leader of the FDN, said the economic outlook was grim. Chamorro, at that time media spokesman for the group, said the FDN had received \$2 million to \$3 million in private assistance.

In March, 1985, as the debate over con-

tinued aid to the rebels grew more heated in Congress, Calero said his group had collected \$5 million since the CIA money dried up. He and other leaders acknowledged that rebel military operations had virtually ceased and ammunition was rationed to four bullets a day for each man.

But last week Calero said the rebels had \$15 million besides the forthcoming humanitarian aid. And John Singlaub, a retired U.S. Army general who is key private fundraiser for the rebels in the U.S., said the guerrillas had collected \$20 million to \$25 million since the CIA cutoff.

Singlaub said he believes about one-third of the funds came from private U.S. contributors and the remainder from several foreign countries and foreign businesses that had property seized by the Sandinistas. He said the donors wanted to remain anonymous to avoid retaliation from Nicaragua and the Soviet Union.

No other country has publicly revealed financial support for the rebels, though Honduras has given them sanctuary and Costa Rica has provided a de facto, if not formal, haven. Nor has any major international business organization been identified with the movement.

There also is no strong evidence of major sources of money in the U.S.

Singlaub declines to estimate the donations by his own group, the U.S. Council on World Freedom. Soldier of Fortune magazine,

which has appealed to readers for equipment, estimates its 1985 contributions at \$20,000.

The most publicized single fundraising event, a gala dinner here last April 15, was buoyed when President Reagan made a broad

appeal for aid to Nicaraguan refugees and \$220,000 was collected. But Joseph Luman, a lawyer for the group that held the dinner, said virtually no money reached the refugees and the donations barely covered the cost of the affair.

"I think they [the rebel leaders] use all these groups and advertisements about aid for the refugees, aid for the contras, as a smoke screen designed to conceal the fact that the money still comes with the help of the CIA," Chamorro said.

He and another former rebel official said the FDN leadership has conducted no wide-ranging international fundraising effort. Securing of funds is handled by a tiny, tight group at the top, "suggesting that it comes from one main source," Chamorro said.

It is not clear how the "humanitarian assistance" could immediately be converted to military aid or used to pay debts incurred for weapons.

The bill says, "Humanitarian assistance means the provision of food, clothing, medicine and other humanitarian assistance, and it does not include the provision of weapons, weapons systems, ammunition or other equipment, vehicles or material which can be used to inflict serious bodily harm or death."

By Labor Day, the State Department expects to send the White House a plan for administering the \$27 million. A new office is to be created in the department to han-

dle aid requests from the rebels and there will be independent audits to assure Congress that the money is going for approved purchases rather than military supplies.

The contras would buy the supplies and arrange for their delivery, leaving Washington to pay the bills. What types of supplies Washington will authorize remains to be settled, but officials suggested the line may be drawn more narrowly than desired by rebel leaders such as Calero, who wants "humanitarian aid" to include flak jackets, boots, radios and small aircraft.

"There is no way we're going to come through with Calero's laundry list until we see if Congress is going to buy it," said an administration official. "It's just too sensitive."